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SEAT No. :

PA-2867

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M.Com. Part - I

**108 : ADVANCED COST ACCOUNTING & COST
SYSTEM**

**Costing Techniques & Responsibility Accounting
(2019 Pattern) (Semester - I) (CBCS) (Paper - II) (Group - C)**

Time : 3 Hours]

[Max. Marks : 60

Instructions to the candidates :

- 1) *All questions are compulsory.*
- 2) *Figures to the right indicates full marks.*
- 3) *Use of electronic pocket calculator is allowed.*

Q1) What is meant by budgetary control? State its objectives.

[15]

OR

Prepare a cash budget for three months from the following particulars relating to Bhargav Ltd, Bombay.

Months	Credit sales	Purchases	Wages
Nov'20	10,0000	80,000	50,00
Dec' 20	90,000	70,000	60,00
Jan' 21	11,0000	10,0000	45,00
Feb'21	60,000	95,000	55,00
Mar' 21	80,000	13,0000	70,00

40% of the credit sales will be realised in the month following the sales & the remaining 60% in the second month following. The creditors will be paid in the month following the purchases. Interest of Rs. 5000 will have to be paid in the month of February 2021. Income Tax of Rs. 15000 will have to be paid in the month of march 2021 wages are paid in the same month. The opening balance of cash as on 1st January 2021 was Rs. 20000.

[15]

P.T.O.

Q2) Define standard cost & standard costing. Distinguish between standard costing & Budgetary control. [15]

OR

XYZ Co. Ltd provides following cost details from which you are required to calculate.

i) Labour cost variance

ii) Labour Rate variance

iii) Labour efficiency variance

Standard hours per unit of output 20 Hours

Standard rate per hour Rs. 5

Actual production during october' 21 2000 Units

Actual Hours 35000 Hours

Actual Rate per Hour Rs. 4

Also verify your results. [15]

Q3) What is Inter firm comparison? State the advantages & Limitations of Inter firm comparison. [15]

OR

A company has two divisions & it wants to make additional investment in one of the two divisions. The relevant information about the divisions is gives as follow :

Net Profit on additional investment :

Division 1- Rs. 70,000, Division 2 - Rs. 85000

Current ROI - Division 1 - 15%

Division - 2 - 14%

Additional Investment - Rs. 500000

The cost of capital is 12%. In which division should investment be made?[15]

Q4) Write short notes on (Any 3) [15]

a) Production Budget

b) Sales variance

c) Overhead cost variance

d) Advantages of Responsibility Accounting

e) Uniform cost manual

